

News

ARIZONA Department of Revenue

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FILE No.: NR05001

January 12, 2005

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FOR IMMEDIATE RELEASE

MESA TAX PREPARER SENTENCED

Arizona Department of Revenue (DOR) Director Elliott Hibbs and Arizona Attorney General Terry Goddard announced today the sentencing of James Frederick Shahbazian, an East Valley tax return preparer, for his involvement in preparing thousands of fraudulent 2001 and 2002 tax returns for his clients.

Under a plea agreement, Shahbazian was sentenced to one year in jail, an additional two years probation, and he is forbidden from preparing tax returns. He was sentenced in Maricopa County Superior Court on January 7, and was taken into immediate custody. The plea agreement also requires Shahbazian repay the State of Arizona \$1 million.

Shahbazian, 46, operated a tax preparation service under the name JSB & Associates at 2050 W Guadalupe, Suite 14, in Mesa. He was

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indicted on February 10, 2004, on multiple counts of tax fraud regarding the preparation of fraudulent Arizona individual income tax returns.

Following his indictment in February, DOR representatives contacted his clients to notify them of the proceedings. Many had to file amended tax returns and pay additional taxes, penalty and interest.

"I am proud of this partnership, and we will continue to work together to identify people who try to cheat the system," Goddard said. "This case also serves as a reminder to Arizona taxpayers as tax season approaches to do their homework before choosing someone to prepare their returns."

Hibbs recommended Arizona residents request references and a resume before hiring a tax preparer. He also recommended that each taxpayer double check information provided to tax preparers before filing returns.

"It is particularly troubling that any tax professional would deliberately mislead clients to file fraudulent returns through practices of understating income and claiming inflated or nonexistent deductions," stated Hibbs. "These practices violate the premise that each taxpayer must pay the legal amount of tax owed to share the burden equitably."

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